

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

TEAM SYSTEMS INTERNATIONAL,
LLC,

Debtor.

Chapter 11

Case No. 22-10066 (CTG)

**ORDER TO SHOW CAUSE WHY THIS CHAPTER 11
CASE SHOULD NOT BE DISMISSED OR CONVERTED**

Debtor Team System International, LLC filed this bankruptcy case on January 18, 2022.¹ Creditors GPDEV, LLC and Simons Exploration, Inc. (the “Movants”) moved to dismiss the case on the ground that it was filed in bad faith.² A hearing on the motion to dismiss is currently scheduled for March 9, 2022,³ with the parties’ briefs due on March 2, 2022.

On February 16, 2022, the Movants sought sanctions arising out of the debtor’s alleged failure to comply with discovery obligations and alleged improprieties.⁴ The Court directed the debtor to respond to that motion by February 22, 2022 at 5:00 p.m.⁵ On February 18, 2022, however, counsel for the debtor moved to withdraw, citing the debtor’s failure to cooperate with counsel, failure to communicate necessary information, and differences of opinion that make

¹ D.I. 1.

² D.I. 41.

³ The Court originally set the motion for a hearing on February 9, 2021. D.I. 21. The hearing was rescheduled at the request of the Movants. *See* D.I. 78. *See also* 11 U.S.C. § 1112(b)(3) (requiring that hearing on a motion to dismiss commence within 30 days of the filing of the motion “unless the movant expressly consents to a continuance for a specific period of time”).

⁴ D.I. 87.

⁵ D.I. 88.

“continuing the representation unnecessarily difficult.”⁶ The motion attached a statement by the debtor that took issue with counsel’s assertions, but stated that the debtor was “actively looking for new counsel.”⁷

By order dated February 20, 2022, this Court granted counsel’s motion. In order to avoid prejudicing the interests of the debtor (while at the same time respecting the command set forth in section 1112(b) of the Bankruptcy Code that a motion to dismiss be addressed promptly), the order granting the motion to withdraw extended the debtor’s deadline to respond to the discovery motion to February 25, 2022 at 5:00 p.m.⁸

The Debtor failed to respond to the motion by that deadline. Indeed, no attorney has entered an appearance as counsel for the debtor. In addition, Berring Straits Logistics Services, LLC (“Berring Straits”), another creditor, has submitted a pleading arguing that conversion of the bankruptcy case to one under Chapter 7 would better serve the interests of creditors and the estate than dismissal.

In view of the foregoing, the debtor is hereby ORDERED TO SHOW CAUSE, through a submission made by counsel on or before March 2, 2022 at 5:00 p.m., why this case should not be dismissed or converted. The response to the order to show cause shall also address the issues raised in the Movants’ discovery motion. The debtor’s failure to make an appropriate filing, through counsel, at that time may result in the dismissal or conversion of the case.⁹

⁶ D.I. 91 at 2.

⁷ D.I. 91-3.

⁸ D.I. 92.

⁹ See generally Bankr. D. Del. Local R. 1002-1(b) (“Any petitioner other than an individual shall be represented by counsel admitted to practice in the District Court.”); *Simbraw, Inc. v. United States*, 367 F.2d 373, 374 (3d Cir. 1966) (corporate entities may only proceed through counsel).

The Movants and Berring Straits shall address, in their March 2, 2022 submissions, whether dismissal or conversion “is in the best interests of creditors and the estate.”¹⁰ Even in the absence of a response by the debtor to this order to show cause, the March 9, 2022 hearing on the motion to dismiss shall go forward for the purpose of addressing that issue.

Dated: February 28, 2022



CRAIG T. GOLDBLATT
UNITED STATES BANKRUPTCY JUDGE

¹⁰ 11 U.S.C. 1112(b)(1).